

BEFORE THE STATE OF SOUTH CAROLINA  
DEPARTMENT OF INSURANCE

In the Matter of:	)	
	)	
Frontier Insurance Company	)	Order of Suspension
	)	of Certificate of Authority
195 Lake Louise Marie Road	)	
Rock Hill, New York 12775-8000.	)	
_____	)	

This matter comes before me pursuant to the recommendation of the Division of Financial Services of this Department. By order of the Supreme Court of the State of New York entered October 15, 2001, the Superintendent of Insurance of the State of New York was appointed Rehabilitator of Frontier Insurance Company, which is domiciled within the State of New York. On October 15, 2002, the State of New York Insurance Department Liquidation Bureau filed Frontier Insurance Company's September 30, 2001 Quarterly Statement with this Department. That September 30, 2001 Quarterly Statement shows Frontier Insurance Company's total capital and surplus to be <\$155,973,024>. That total capital and surplus amount renders Frontier Insurance Company in an unsound condition, and renders its further proceedings hazardous to its State of South Carolina policyholders.

S.C. Code Ann. Section 38-5-120(A) (1976, as amended) requires "(t)he director or his designee of the State of South Carolina Department of Insurance shall revoke or suspend certificates of authority granted to an insurer and its officers and agents if he is of the opinion upon examination or other evidence that "(t)he insurer is in an unsound condition" or "(t)he insurer's condition renders its proceedings hazardous to the public or to its policyholders." S.C. Code Ann. Section 38-5-120(B) (1976, as amended) goes on to require that "(n)o new business may then be done by the insurer or its agents in this State while the default or disability continues nor until its authority to transact business is restored by the director or his designee."

It is, therefore, ordered that the Certificate of Authority of Frontier Insurance Company to transact insurance business within the State of South Carolina should be, and is hereby, suspended. No new business may be transacted by Frontier Insurance Company within this State unless, and until, the Certificate of Authority of Frontier Insurance Company is restored. A copy of this Order of Suspension must be transmitted by the Department of Insurance to the National Association of Insurance Commissioners for its distribution to its member states, and it must be published in newspapers of general, Statewide circulation. Further, all licensed State of South Carolina resident and non-resident insurance agents of Frontier Insurance Company must be given notice by the Department of Insurance, by regular mail, of this Order, and no new licenses or appointments may be issued by the Department to agents of Frontier Insurance Company.

This order becomes effective upon the date of my signature below.



Ernst N. Csiszar  
Director of Insurance

October 16, 2002 at  
Columbia, South Carolina.